Public Laws ; Bill / House / 106th Congress / 1st Session / 1999 / File 2

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106TH CONGRESS
1ST SESSION

H. R. 1232

To amend title XIX of the Social Security Act to permit the Secretary of Health and Human Services to waive recoupment of Federal government Medicaid claims to tobacco-related State settlements if the State uses a portion of those funds for programs to reduce the use of tobacco products and to assist in the economic diversification of tobacco farming communities.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 1999

Mr. HANSEN (for himself and Mr. MEEHAN) introduced the following bill; which was referred to the Committee on Commerce

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A BILL

To amend title XIX of the Social Security Act to permit the Secretary of Health and Human Services to waive recoupment of Federal government Medicaid claims to tobacco-related State settlements if the State uses a portion of those funds for programs to reduce the use of tobacco products and to assist in the economic diversification of tobacco farming communities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMITTING WAIVER OF RECOUPMENT OF MEDICAID TOBACCO-RELATED RECOVERIES IF RECOVERIES USED TO REDUCE SMOKING AND ASSIST IN ECONOMIC DIVERSIFICATION OF TOBACCO FARMING COMMUNITIES.

(a) IN GENERAL.—Section 1903(d)(3) of the Social Security Act (42 U.S.C. 1396b(d)(3)) is amended—

(1) by inserting "(A)" before "The"; and

(2) by adding at the end the following:

"(B) Subparagraph (A) and paragraph (2)(B) shall not apply to any amount recovered or paid to a State as part of a settlement or judgment reached in litigation initiated or pursued by a State against one or more manufacturers of tobacco products, as defined in section 5702(d) of the Internal Revenue Code of 1986, if (and to the extent that) the Secretary finds that following conditions are met:

"(i) The Governor or Chief Executive Officer of the State has filed with the Secretary a plan which specifically outlines how at least 25 percent of such amounts, recovered in any fiscal year, will be spent on efforts—

"(I) to reduce the use of tobacco products using methods that have been shown to be effective, such as tobacco use cessation programs, enforcement of laws relating to tobacco prod-

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ucts, community-based programs to discourage the use of tobacco products, and school-based and child-oriented education programs to discourage the use of tobacco products, and for ongoing evaluations of these programs;

"(II) to fund research necessary to evaluate progress in reducing tobacco use and to determine the effectiveness of programs to prevent tobacco addiction, including surveillance and epidemiology research related to tobacco;

"(III) to fund State-wide awareness and advertising efforts to discourage tobacco use; and

"(IV) to assist in economic development efforts designed to aid tobacco farmers and communities as they transition to a more broadly diversified economy.

"(ii) All efforts under subclauses (I) through (III) of clause (i) shall take into account the needs of minority populations and other high risk groups who have a greater threat of exposure to tobacco products and advertising.

"(iii) All such amounts spent under clause (i) will be spent only in a manner that supplements (and does not supplant) funds previously being spent

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by the State (or local governments in the State) for such or similar programs or activities.

"(iv) Before the beginning of each fiscal year, the Governor or Chief Executive Officer of the State files with the Secretary a report which details how the Federal share of the amounts so recovered have been spent consistent with the plan described in clause (i).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to amounts recovered or paid to a State before, on, or after the date of enactment of this Act.

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